GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:396
ANSWERED ON:19.07.2016
Online National Agricultural Market
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Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether the Government proposes to set up an Online National Agricultural Market and amend the Agriculture Produce Market Committees (APMCs) Act to break the monopoly of middlemen/traders and provide benefits to the farmers and consumers, if so, the details and the
objectives thereof;

(b) whether the scheme is likely to be implemented in all the States of the country, if so, the details thereof;

(c) the details of the benefits likely to be accrued to the farmers and the number of agricultural markets linked with the e-portal at present in the various States of the country; and

(d) the steps taken/being taken by the Government to strengthen the existing agricultural marketing infrastructure in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) & (b): Yes, Madam. Agriculture marketing is administered by State Governments and Union Territories (UTs) as per their respective Agriculture Produce Marketing (Regulation) Acts. Realising the need for reforms in the agri-marketing sector, the Government has from time to time played an advocacy role. To take the agri-marketing reform agenda forward and with the objectives to benefit farmers and provide quality produce at reduced cost to consumers, the Government approved a scheme for setting up of National Agriculture Market (e-NAM) on 01.07.2015 with a budget of Rs.200 crore. Under the scheme, a pan India electronic trading portal (e-NAM) is being deployed in selected regulated wholesale markets in States across the country and 585 markets are proposed to be integrated with e-NAM by March, 2018.

In order to integrate with e-NAM, States are required to complete certain pre-requisite reforms in their respective Agriculture Produce Marketing (Regulation) Acts to provide for (i) A single licence to be valid across the State, (ii) Single point levy of market fee, and (iii) Provision for electronic auction as a mode of price discovery. These reforms, it is expected, will facilitate integration of markets at the State level to break the monopoly of middlemen/traders and provide benefits to the farmers and consumers.
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The scheme is demand based and applicable to all the States of the country.

(c): At present, 23 wholesale regulated agricultural markets of 08 States in the country have been linked with e-NAM portal. e-NAM is expected to benefit the farmers through enhanced market access by way of allowing remote online bidding for their produce, removal of information asymmetry between buyers and sellers, real-time price discovery based on the actual demand-supply gap through transparent online auction, uniform marketing procedures, remuneration according to quality of produce and online payment directly to farmer's account.

(d): In order to implement e-NAM, the Government is providing software free of cost to the the States and grant up to Rs.30 lakh per mandi for related infrastructure/equipments including for assaying. Apart from this the Government implements various schemes to strengthen agricultural marketing infrastructure viz. Rashtriya Krishi Vikas Yojna (RKVY), Agricultural Marketing Infrastructure (AMI) sub-scheme of Integrated Scheme for Agricultural Marketing (ISAM), Mission for Integrated Development of Horticulture (MIDH), etc.

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